



The Results are in ...CBIZ is Selected as 403(b) Advisory Services Provider

EXPERIENCED.

The know-how to know what, when and even why.



During the months of July and August, NCICU conducted a request for proposals (RFP) process to identify a qualified, cost-effective 403(b) retirement plan fiduciary advisor. The RFP was a response to an earlier survey of NCICU campuses that identified a need for an inexpensive solution to satisfy the US Department of Labor’s fiduciary requirements. With the help of human resources and business leaders on three NCICU campuses, William Peace, Louisburg and Warren Wilson, NCICU selected CBIZ Retirement Plan Services. The RFP process included invitations to fifteen providers, eight written responses to the proposal request, and interviews with two finalists.

The goals of NCICU’s partnership with CBIZ are to help our campuses mitigate fiduciary risks, improve results related to managing employer sponsored retirement plans and to substantially reduce the cost of these services. The terms of the agreement with CBIZ include:

- 3(21) ERISA co-fiduciary governance of institutional retirement plans
- On-going oversight of investment options with quarterly and annual reporting
- Assisting in conversion of TIAA-CREF Individual Contract Plans to the new Open Architecture Platform

DOL compliant Individual participant education and guidance services

Costs that are one-half to one third of non-consortium advisory services providers.

This fall, NCICU and CBIZ will be providing campus human resources and business leaders with detailed information on the advisory services that will be provided to consortium members. The goal is to enroll at least eight institutions by year’s end.

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NCICU Benefits Alliance Moving Forward

Just over one-third of our North Carolina independent colleges and universities have formed the NCICU Benefits Alliance to collaboratively find ways to deliver quality employee benefits in the most cost-effective manner. As a first step, the thirteen Alliance members have participated in a feasibility study seeking lower pricing on their employee benefit plans for medical health care, life and disability insurance, and dental care.

From the aggregated information provided by the participating institutions, requests for proposals (RFP) were generated with the assistance of the Alliance’s consulting partner, Willis Human Capital Practice. The RFP responses for life and disability and dental plans have been received and evaluated.

The results:

Reliance Insurance has agreed to match each campus’ existing coverage for life and disability insurance and provide an average premium savings of 20%, with a four-year rate guarantee.

Delta Dental has agreed to match all dental plan terms, extending a 4% rate reduction guarantee for two-years. Delta has enrolled an extensive number of dental health providers that have agreed to pricing discounts that will generate additional cost savings for participating employees.

In the coming weeks, the results of the RFP for medical services will be evaluated.

The Benefits Alliance approach differs from a previous NCICU-led attempt to collaborate on an employee health care. The previous plan would have required institutions to share claims risks. The current collaborative model allows each participating institution to retain its own plan design and associated claims, but reap the economic benefits of combined purchasing power. There is reason for optimism that significant cost-reductions can be achieved. Employee health care ranks second only to salaries as the major operating expense for colleges today.

Life After the Cannon Grant

NCICU Collaboration Initiative began in November of 2011 with the financial assistance of a grant from the Cannon Foundation. Efforts to encourage collaboration among the thirty-six independent colleges and universities in North Carolina have been successful enough to encourage Cannon to renew the grant assistance for three years now. In each of the last three years, NCICU has assumed a larger share of the financial investment. That funding has been generated from some of the purchase contracts and the Business Affiliates program started during the grant period. Grant

funding for the project will end completely in October of this year.

What is to become of the collaborative projects that have begun in the past three years? It was never the intent to use NCICU dues to help sustain the Initiative. However, revenue generated outside the grant will allow work to continue on some ongoing collaborative projects like the E-Procurement Marketplace and the NCICU Benefits Alliance. Chuck Taylor, a long-time chief financial officer at Meredith College and Wingate University, has spearheaded the Collaboration Initiative. A few months ago, Taylor made the decision to reduce his active participation and NCICU brought an assistant on board who will carry on the Initiative’s work.

Yvonne Chacos has a background in sales and marketing for private business and has held administrative and teaching positions in higher education. She holds advance degrees in business and higher education administration.

Chacos is already known by many people on our NCICU campuses because of her work with the College Access Challenge Grant. Taylor plans to maintain some minor involvement in the initiative, primarily in an advising role.



Yvonne Chacos
Coordinator of the Collaboration Initiative



NC Sales Tax Review Service – Update

One of the more successful Collaboration Initiative programs has been to provide a North Carolina sales and use tax review to NCICU colleges and universities. The sales tax professionals with Deweese Grove Associates perform a review of a campus' prior three-years of tax refund requests. In every instance Deweese Grove has uncovered sizable amounts of unrequested refunds. The firm helps the college submit an amended return and thus recover those otherwise overlooked refunds.

In its first round of reviews, Deweese Grove helped a handful of NCICU campuses recover over two million dollars.

There has been a slowing in the review process since the North Carolina Department of Revenue decided that Deweese could not use some computer-generated testing techniques. This has required Deweese to revert to a more manual review process, but the results have been the same.

Recently, three new campus reviews have yielded overlooked refunds totaling over a million dollars. These

revised claims will be completed and submitted for refunds in the near future.

Typically, a firm completing the sales tax review will get a fee of between 40-50% of the claims for their work.

Under the agreement negotiated by NCICU on behalf of our colleges, the Deweese Grove and Associate's fee is substantially less, allowing the colleges to keep more of the refund dollars. There is currently a short waiting list, but any NCICU campus that wishes to learn more about the program should contact Yvonne Chacos (chacos@ncicu.org).

USDA Capital Financing Available

In June of this year, NCICU was represented at a USDA Public/Private Partnership Roundtable held in Charleston, SC. The purpose of the meeting was to explore ways to fully inform public and non-profit entities in North and South Carolina about capital construction financing assistance

available through the US Department of Agriculture. The USDA Rural Development Community Facility Program makes loans and grants to develop essential rural community facilities within municipal entities with populations of less than 20,000.

Interestingly, a good number of North Carolina's independent colleges and universities qualify for a portion of the \$2.2 billion available through USDA because they are located in municipalities which meet the size criterion. The program provides direct, government guaranteed, forty-year loans at 4.0%. The USDA will finance most any educa-

tional facility, with minimal religious and private use restrictions. Refinancing of existing facilities may also be available when the refinancing is rolled into a new building project.

To date, five NCICU colleges and universities, (Brevard, Chowan, Mars Hill, Mt. Olive and St. Andrews), have benefitted from the loan program. If your campus is located in a municipality with a population of less than 20,000, it may be worth investigating the possibility of financing capital construction projects through the USDA Rural Development Community Facility Program. Contact Yvonne Chacos at chacos@ncicu.org.



E-Procurement Marketplace Pilot Project

During the past three years, the NCICU Collaboration Initiative has identified dozens of discount contracts for goods and services that colleges and universities generally purchase. However, it soon became clear that simply informing our campuses of these opportunities for cost savings is not enough. Gaining access to these contracts at the campus level and educating purchasers on campus about how to use them can be cumbersome and time consuming.

Work began about a year ago to build a web-based procurement marketplace. The E-procurement Marketplace is now in the beta testing phase on several NCICU campuses.

The Marketplace operates like the Amazon consumer retail purchasing website. However, the NCICU Marketplace reflects the discounted contract pricing available to our campuses. Like the Amazon site, orders are placed electronically and payment can be made with the campus' purchasing card. A small transaction fee will be charged if a P-Card is used for payment. However, the system has its own payment process that carries additional financial benefits. If the Marketplace payment system is used, the college will receive a monthly billing just like a P-Card statement. The difference is that no transaction fees are charged and a rebate is generated on each dollar of purchases. The rebate amount is equivalent

to or greater than that provided by most P-Cards. Depending upon satisfactory progress with the beta-testing project, the E-Procurement Marketplace will be made available to all NCICU colleges and universities by the end of this calendar year. The system will be demonstrated at the October 29 -30 CFO Conference in Greensboro.



LED Lighting Developments

Last year, NCICU formed a partnership with NetZero USA. NetZero has several retrofitting lighting solutions that it is offering to NC Independents at discounted prices. Recent developments in the LED lighting industry have made NetZero's solutions even more attractive.

It is well known that on college campuses the move toward more energy efficient lighting holds the most promise for energy cost savings. In recent months, the costs of LED diodes have dropped substantially. In

addition, energy companies like Duke Energy and Dominion Power are offering sizable rebates for conversions to LED lighting. Combine those two developments with available financing at record low rates and you have a formula for real year-after-year cost savings. In many instances, the formula yields positive cash flows from day one.

The NetZero USA retrofit solution deserves serious consideration because it allows the use of existing fixtures. This reduces the time of conversion and avoids the need to disturb anything above the ceiling where asbestos may be a problem. NetZero's retrofit products are UL approved. This is important because

installations lacking UL approval can pose property insurance coverage problems.

NetZero has a proven track record, having retrofitted portions of the Pentagon and is working with the University of Maryland to retrofit all fourteen million square feet of lighting on its College Park Campus. Under the agreement that NCICU has with NetZero, any NCICU college or university can request a free building-by-building evaluation of campus lighting. The resulting report will include quotes for a full or partial conversion to LED lighting. For more details, contact Yvonne Chacos at chacos@ncicu.org.